

# House Study Bill 65 - Introduced

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED ECONOMIC  
DEVELOPMENT AUTHORITY BILL)

## A BILL FOR

1 An Act relating to the workforce housing tax incentives  
2 program by increasing the maximum dollar amount that may be  
3 allocated to the program, by requiring allocation to certain  
4 housing projects, and by increasing the percentage of  
5 investment for tax incentives for certain housing projects.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.119, subsection 2, paragraph g, Code  
2 2017, is amended to read as follows:

3 g. The workforce housing tax incentives program administered  
4 pursuant to sections 15.351 through 15.356. In allocating  
5 tax credits pursuant to this subsection, the authority shall  
6 not allocate more than ~~twenty~~ thirty million dollars for  
7 purposes of this paragraph. Of the moneys allocated under this  
8 paragraph, ten million dollars shall be reserved for allocation  
9 to qualified housing projects in small cities, as defined in  
10 section 15.352.

11 Sec. 2. Section 15.352, Code 2017, is amended by adding the  
12 following new subsections:

13 NEW SUBSECTION. 3A. "*Greenfield site*" means a site that  
14 does not meet the definition of a brownfield site or grayfield  
15 site. A project proposed at a site located on previously  
16 undeveloped land or agricultural land shall be presumed to be  
17 a greenfield site.

18 NEW SUBSECTION. 9. "*Small city*" means any city or township  
19 located in this state, except those located within the eleven  
20 most populous counties in the state, as determined by the most  
21 recent federal decennial census. For the purposes of this  
22 part, a small city that is located in more than one county  
23 shall be considered to be located in the county having the  
24 greatest taxable base within the small city.

25 Sec. 3. Section 15.353, subsection 1, paragraph a, Code  
26 2017, is amended to read as follows:

27 a. Four or more single-family dwelling units, except for a  
28 project located in a small city, then two or more single-family  
29 dwelling units.

30 Sec. 4. Section 15.353, subsection 2, Code 2017, is amended  
31 by adding the following new paragraph:

32 NEW PARAGRAPH. *Od.* For a housing project located in a  
33 small city that meets program requirements under subsection 1,  
34 paragraph "a", development at a greenfield site.

35 Sec. 5. Section 15.353, subsection 2, paragraph d,

1 subparagraph (2), subparagraph division (c), Code 2017, is  
2 amended to read as follows:

3 (c) The demand for projects applying under this paragraph  
4 "d" compared to the demand for projects applying under  
5 paragraphs "a" through "e" "od".

6 Sec. 6. Section 15.354, subsection 4, paragraph c, Code  
7 2017, is amended to read as follows:

8 c. (1) The authority shall issue tax incentives under the  
9 program on a first-come, first-served basis until the maximum  
10 amount of tax incentives allocated pursuant to section 15.119,  
11 subsection 2, is reached. The authority shall maintain a list  
12 of registered housing projects under the program so that if  
13 the maximum aggregate amount of tax incentives is reached in  
14 a given fiscal year, registered housing projects that were  
15 completed but for which tax incentives were not issued shall  
16 be placed on a wait list in the order the registered housing  
17 projects were registered and shall be given priority for  
18 receiving tax incentives in succeeding fiscal years.

19 (2) The authority shall administer allocations reserved for  
20 qualified housing projects in small cities separately from the  
21 general allocation in subparagraph (1). The authority shall  
22 issue tax incentives for small cities under the program on a  
23 first-come, first-served basis until the maximum amount of the  
24 allocation reserved for small cities under section 15.119,  
25 subsection 2, paragraph "g", is reached. The authority shall  
26 maintain a list of registered housing projects in small cities  
27 under the program so that if the maximum aggregate amount  
28 of tax incentives reserved for small cities is reached in a  
29 given fiscal year, such registered housing projects that were  
30 completed but for which tax incentives were not issued shall  
31 be placed on a wait list in the order the registered housing  
32 projects were registered and shall be given priority for  
33 receiving tax incentives in succeeding fiscal years. If the  
34 maximum aggregate amount of tax incentives reserved for small  
35 cities is not reached in a given fiscal year, the authority may

1 issue tax incentives reserved under this subparagraph (2) to  
2 other housing projects registered under subsection 2.

3 Sec. 7. Section 15.355, subsection 3, paragraph a, Code  
4 2017, is amended to read as follows:

5 a. A housing business may claim a tax credit in an amount  
6 not to exceed the following:

7 (1) For a housing project not located in a small city, ten  
8 percent of the qualifying new investment of a housing project.

9 (2) For a housing project located in a small city, twenty  
10 percent of the qualifying new investment of a housing project.

11 EXPLANATION

12 The inclusion of this explanation does not constitute agreement with  
13 the explanation's substance by the members of the general assembly.

14 This bill relates to the workforce housing tax incentives  
15 program by increasing the maximum dollar amount that may be  
16 allocated to the program, by requiring that a certain dollar  
17 value of tax credits be allocated to housing projects in small  
18 cities, and by increasing the percentage for computing tax  
19 credits for such housing projects.

20 The bill raises the annual allowable tax credits allocation  
21 under the program from \$20 million to \$30 million, but  
22 maintains the economic development authority's (authority)  
23 \$170 million aggregate tax credit limit. The bill requires  
24 the authority to allocate at least \$10 million in tax credits  
25 to housing projects in small cities and to administer such  
26 reserved allocations separately. If the authority does not  
27 reach the \$10 million for such projects in a fiscal year, the  
28 bill provides that the authority may issue tax incentives from  
29 the reserved allocation to registered housing projects that  
30 are not located in small cities. Under the bill, a small city  
31 includes any city or township not located in one of the 11  
32 most populous counties in the state, as determined by the most  
33 recent federal decennial census. Under the bill, a small city  
34 that is located in more than one county is considered to be  
35 located in the county having the greatest taxable base within

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 the small city.

2     The bill provides that a housing project in a small city  
3 that results in two or more new single-family dwelling units  
4 at a greenfield site, as defined in the bill, may receive tax  
5 incentives under the program, equaling up to 20 percent of the  
6 qualifying new investment.